

May 24, 2004

Agenda Date: June 8, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE ENERGY EFFICIENCY PROGRAM
CALIFORNIA PUBLIC UTILITIES COMMISSION
(ALL VOTES) (4 DISTRICTS)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Interim Director of the Internal Services Department (ISD) or his designee to execute an agreement substantially similar in form to Attachment A with Southern California Edison (SCE) and Southern California Gas Company (SCG) to implement energy projects in various County facilities. All project costs will be funded by the California Public Utilities Commission (CPUC).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The purpose of this recommendation is to request that ISD's Interim Director (or his designee) be authorized to enter into agreement with SCE and SCG. The agreement will allow ISD to complete energy efficiency projects within County facilities throughout SCE and SCG service territories. ISD, in partnership with SCE and SCG, submitted a joint proposal to the CPUC to continue implementing energy projects in County facilities.

CPUC Program

In August 2003, the CPUC ordered continuation of the Public Goods Charge Funding Programs for calendar years 2004 and 2005. This provided third parties the opportunity to fund worthwhile energy projects using funds administered by the CPUC. Previously, the CPUC awarded ISD \$3.3 million to continue implementing energy efficiency projects through 2003. Your Board approved participation in that program on June 4, 2002.

For the 2004/05 program, the CPUC strongly encouraged third parties, and especially local governments, to form partnerships with the investor-owned utilities to compete for current funding. These partnerships would maximize outreach and energy savings. ISD worked with SCE and SCG to develop a partnership proposal.

In November 2003, SCE, with ISD and SCG, submitted a partnership proposal requesting funding to continue County energy retrofit projects; begin a County building “tune-up” (retrocommissioning) program; implement energy projects in Community Development Commission (CDC)/Public Housing facilities; and conduct a study of the energy efficiency needs of various public agencies in Southern California.

Attachment B describes each program element’s scope of work and estimated cost.

In January 2004, the CPUC approved a \$3.7 million award to the ISD/SCE/SCG partnership proposal.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Participation in the CPUC’s program supports Goal Number 4 of the County’s Strategic Plan, Fiscal Responsibility, by investing in the public infrastructure.

FISCAL IMPACT/FINANCING

The partnership program will result in an estimated annual savings of \$400,000 in energy costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The CPUC requires SCE or SCG to administer and allocate funding. This will be accomplished through the agreement (Attachment A) that defines the partners’ responsibilities, identifies the project implementation plan and assigns the reporting back to CPUC. SCE will be responsible for overall program administration including funding

The Honorable Board of Supervisors
May 24, 2004
Page 3

dispersal and reporting to the CPUC. SCE's technical contractors will implement the project measures. ISD will provide technical assistance including site selection and project screening, project management, use of energy management information systems and coordination with County facility managers and tenants. Per the CPUC Program requirements, all projects must be completed by September 2006.

The agreement has been approved as to form by County Counsel.

CONTRACTING PROCESS

The agreement defines the roles and responsibilities for each of the parties. SCE and SGC will conduct all bidding processes, contract for all project implementation and make all payments for work completed. The agreement allows the County to approve the scope of work and the terms and conditions for all agreements between SCE, SGC and their contractors. ISD will oversee daily work progress in all County facilities.

IMPACT ON CURRENT SERVICES OR PROJECTS

Upon completion of the projects, inefficient and outdated equipment will have been replaced and the County utility costs will be reduced.

Respectfully submitted,

DAVE LAMBERTSON
Interim Director

DL:NH:ynj

Attachments

c: Chief Administrative Officer
Executive Officer
Board of Supervisors
County Counsel